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of Lehman Brothers Creditors

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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**In re** : **Chapter 11**  
:  
**LEHMAN BROTHERS HOLDINGS INC., et al.** : **Case No. 08-13555 (JMP)**  
:  
**Debtors.** : **Jointly Administered**  
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**STATEMENT OF AD HOC GROUP OF LEHMAN BROTHERS  
CREDITORS IN SUPPORT OF DEBTORS' MOTION FOR AUTHORIZATION  
TO IMPLEMENT THE DERIVATIVES EMPLOYEE INCENTIVE PROGRAM**

TO THE HONORABLE JAMES M. PECK,  
UNITED STATES BANKRUPTCY JUDGE:

The Ad Hoc Group of Lehman Brothers Creditors (the “Group”), through its undersigned counsel, hereby submits this statement in support of the Debtors’ Motion Pursuant to Sections 105(a) and 363(b)(1) of the Bankruptcy Code and Bankruptcy Rule 6004 for Authorization to Implement the Derivatives Employee Incentive Program (the “Motion”) [Docket No. 5952] filed by Lehman Brothers Holdings Inc. and its affiliated debtors (collectively, the “Debtors”) in the above-referenced chapter 11 cases. In support of the Motion, the Group respectfully states as follows:

1. The Group believes that an appropriate plan to motivate the relevant employees of the Debtors to maximize recoveries for all creditors, of which our group comprises a significant stake as holders in excess of \$14 billion of claims against the Debtors' estates, is warranted and appropriate. As significant creditors, it is ultimately for our economic benefit, and that of all other creditors of these estates, for which these chapter 11 cases are being administered and to our potential detriment that decisions to incur incremental costs are made. As we have in the past, we have engaged constructively and thoughtfully with the Debtors, the Committee and their advisors to provide input on the importance of aligning and motivating employees to maximize value for creditors. It is against this backdrop that we submit this statement in support of the Motion and strongly urge the Court to approve it.

2. At the core of the Motion are the two most important elements of creditor recoveries - the maximization of assets and the minimization of claims. Given the magnitude of the assets and liabilities here, the costs associated with the proposed incentive program are reasonable. An important factor in maximizing creditor recoveries will be the payment incentive system for employees to motivate them to maximize those recoveries. Thus, it is critical for the Debtors' program to properly align employees economically with creditors by paying them for the results achieved. Accordingly, if employees prove successful in maximizing assets and reducing claims through 2010, which we strongly believe they will, we will fully support making enhancements to the program to further incent and reward the employees for work well done on behalf of creditors.

3. As a consequence of our discussions with the Debtors and the Committee and because we share their sense of urgency to implement a program, we urge the Court to approve

the program as-is and to allow the Debtors and stakeholders time to monitor its success and report back to make any appropriate and informed adjustments, if necessary.

WHEREFORE, for the foregoing reasons, the Group supports the relief requested in the Motion.

Dated: December 15, 2009  
New York, New York

Respectfully submitted,

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By: /s/ Gerard Uzzi  
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